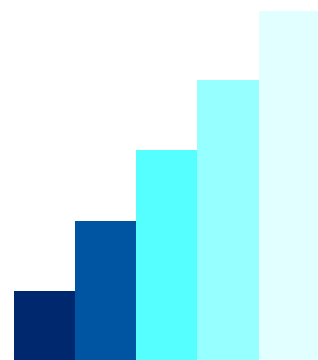


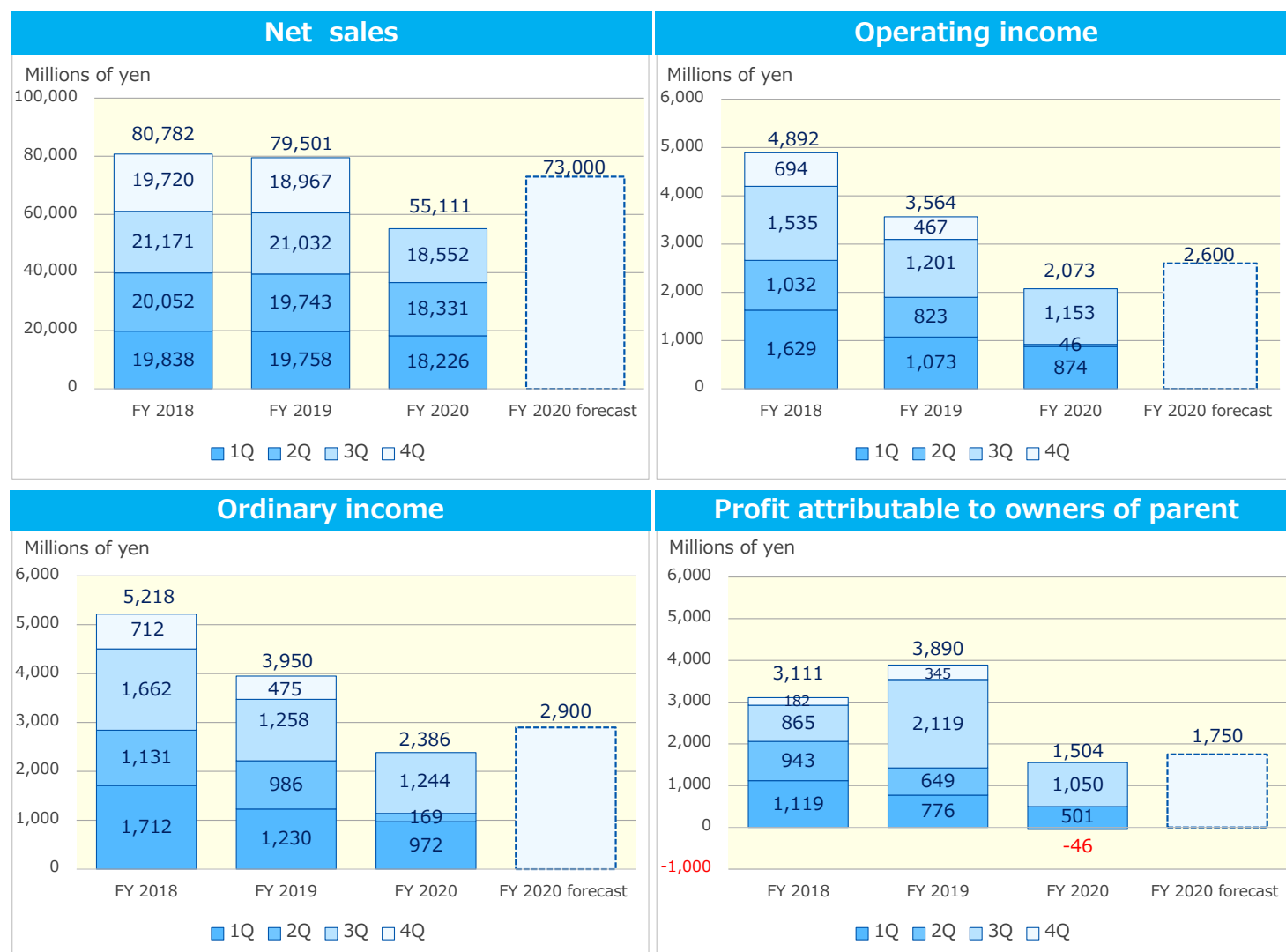
DATA BOOK

FY2020

3rd Quarter ended December 31, 2019



Achievement Transition (Consolidated)



consolidated	FY 2018 (3Q)		FY 2019 (3Q)		FY 2020 (3Q)		FY 2018		FY 2019		FY 2020 forecast	
	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change
Net sales	61,062	6.0	60,534	△ 0.9	55,111	△ 9.0	80,782	4.4	79,501	△ 1.6	73,000	△ 8.2
Operating income	4,198	3.7	3,097	△ 26.2	2,073	△ 33.0	4,892	△ 4.0	3,564	△ 27.1	2,600	△ 27.1
Ordinary income	4,505	8.7	3,475	△ 22.9	2,386	△ 31.3	5,218	△ 1.8	3,950	△ 24.3	2,900	△ 26.6
Profit attributable to owners of parent	2,929	4.5	3,544	21.0	1,504	△ 57.5	3,111	△ 8.9	3,890	25.0	1,750	△ 55.0

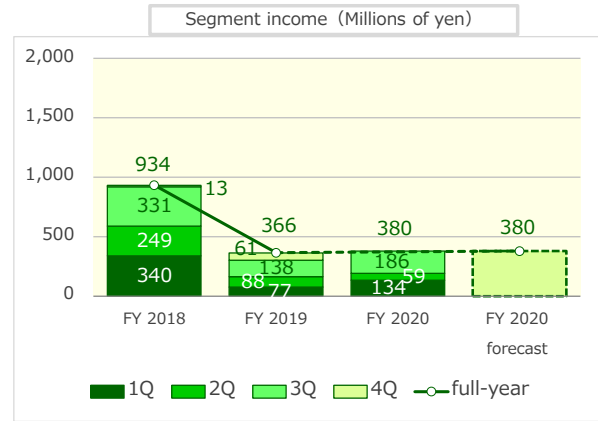
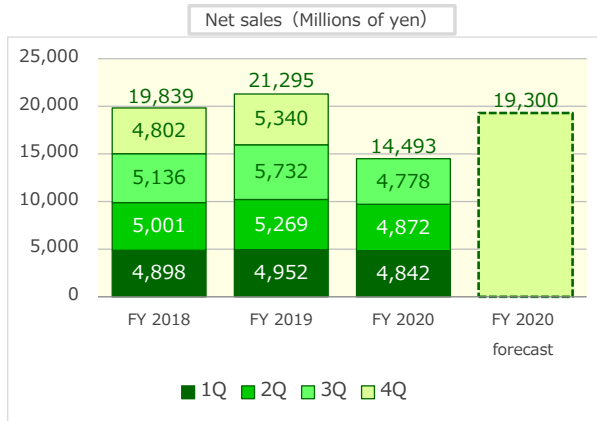
Management index transition

consolidated	FY 2018 (3Q)		FY 2019 (3Q)		FY 2020 (3Q)		FY 2018		FY 2019		FY 2020 forecast	
	Millions of yen	Increase /Decrease	Millions of yen	Increase /Decrease	Millions of yen	Increase /Decrease	Millions of yen	Increase /Decrease	Millions of yen	Increase /Decrease	Millions of yen	Increase /Decrease
Capital investment	1,193	△ 238	1,551	358	2,002	450	1,937	△ 170	2,977	1,040	4,300	1,322
Depreciation and amortization	1,917	△ 31	2,053	136	2,178	124	2,613	△ 48	2,870	257	2,940	69
R&D expenses	2,377	78	2,262	△ 115	2,241	△ 20	3,220	41	3,051	△ 169	3,100	48
Interest-bearing debt	11,356	△ 3,153	14,565	3,209	19,357	4,791	11,269	△ 2,031	14,349	3,080	19,200	4,850
EBITDA	6,115	118	5,151	△ 963	4,252	△ 898	7,506	△ 251	6,435	△ 1,070	5,540	△ 895

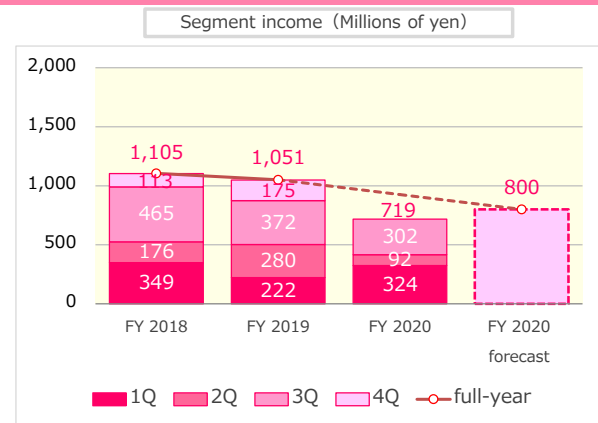
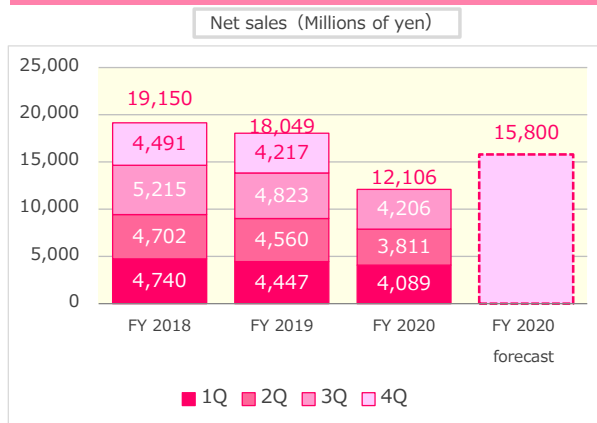
[EBITDA] Earnings Before Interest , Taxes , Depreciation , and Amortization

Segment Information (Consolidated)

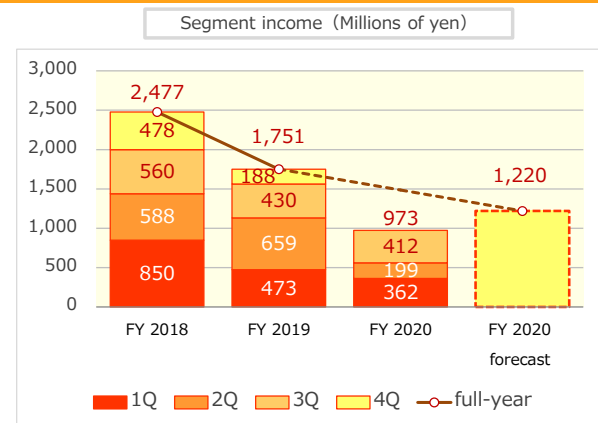
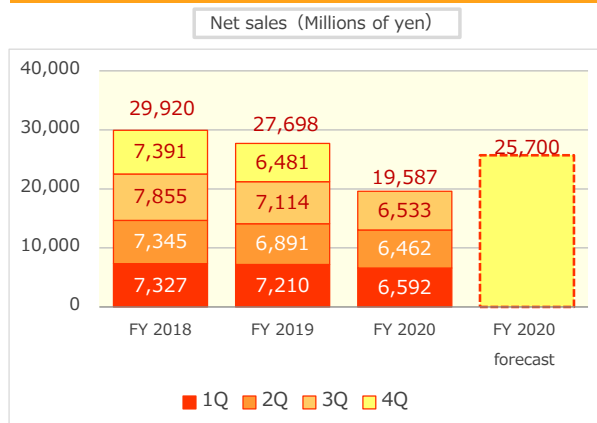
Paper Chemicals



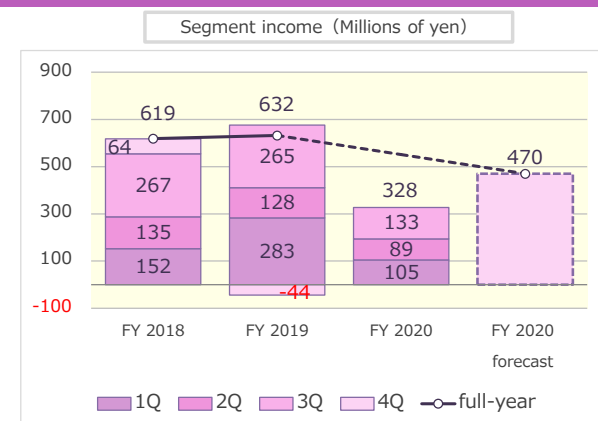
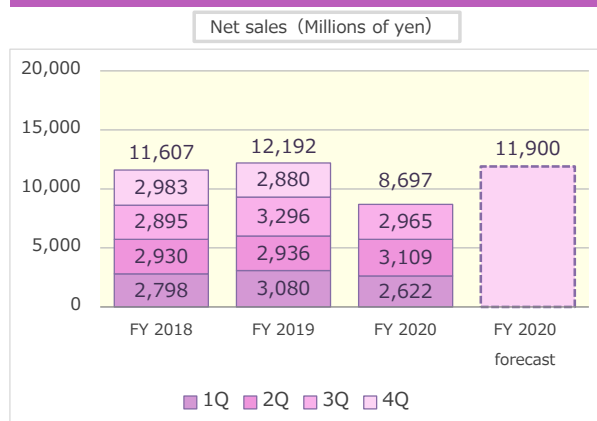
Coating Chemicals



Adhesive Materials



Functional Materials



Segment Information (Consolidated)

Consolidated		FY 2018 (3Q)		FY 2019 (3Q)		FY 2020 (3Q)		FY 2018		FY 2019		FY 2020 forecast	
		Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change
Paper chemicals	Net sales	15,037	11.2	15,954	6.1	14,493	△ 9.2	19,839	8.7	21,295	7.3	19,300	△ 9.4
	Segment income	921	△ 10.7	305	△ 66.9	380	24.8	934	△ 26.9	366	△ 60.8	380	3.7
	Segment income/sales	6.1%		1.9%		2.6%		4.7%		1.7%		2.0%	
Coating chemicals	Net sales	14,658	0.5	13,831	△ 5.6	12,106	△ 12.5	19,150	△ 1.2	18,049	△ 5.7	15,800	△ 12.5
	Segment income	991	6.9	875	△ 11.7	719	△ 17.9	1,105	△ 1.0	1,051	△ 4.8	800	△ 23.9
	Segment income/sales	6.8%		6.3%		5.9%		5.8%		5.8%		5.1%	
Adhesive Materials	Net sales	22,528	7.2	21,216	△ 5.8	19,587	△ 7.7	29,920	5.8	27,698	△ 7.4	25,700	△ 7.2
	Segment income	1,998	3.8	1,562	△ 21.8	973	△ 37.7	2,477	△ 2.5	1,751	△ 29.3	1,220	△ 30.3
	Segment income/sales	8.9%		7.4%		5.0%		8.3%		6.3%		4.7%	
Functional Materials	Net sales	8,624	4.5	9,312	8.0	8,697	△ 6.6	11,607	3.9	12,192	5.0	11,900	△ 2.4
	Segment income	555	21.9	677	22.0	328	△ 51.5	619	10.5	632	2.1	470	△ 25.7
	Segment income/sales	6.4%		7.3%		3.8%		5.3%		5.2%		3.9%	
Others	Net sales	214	△ 5.4	218	2.0	225	3.4	265	△ 5.8	266	0.3	300	12.7
	Segment income	22	49.1	22	△ 0.3	26	17.1	24	55.3	26	7.2	30	12.5
	Segment income/sales	10.5%		10.2%		11.6%		9.4%		10.0%		10.0%	
Subtotal	Net sales	61,062	6.0	60,534	△ 0.9	55,111	△ 9.0	80,782	4.4	79,501	△ 1.6	73,000	△ 8.2
	Segment income	4,489	3.1	3,443	△ 23.3	2,428	△ 29.5	5,162	△ 6.4	3,828	△ 25.8	2,900	△ 24.3
	Segment income/sales	7.4%		5.7%		4.4%		6.4%		4.8%		4.0%	
Consolidated total	*Development Investment	△ 273	—	△ 256	—	△ 218	—	△ 374	—	△ 352	—	△ 300	—
	Segment income	4,215	3.2	3,186	△ 24.4	2,209	△ 30.7	4,787	△ 6.6	3,476	△ 27.4	2,600	△ 25.2
	Segment income/sales	6.9%		5.3%		4.0%		5.9%		4.4%		3.6%	

*Applied research and development expense that will be the source of growth in the medium to long term.

The sales of business segmentation do not include intersegment sales.

[Paper chemicals] Size agent, Paper strengthening agent, Latex, etc.

[Coating chemicals] Printing ink resin, Paint resin, Polymerization emulsifier, UV/EB curable resin, etc.

[Adhesive Materials] Adhesive resin, Colorless rosin derivatives, etc.

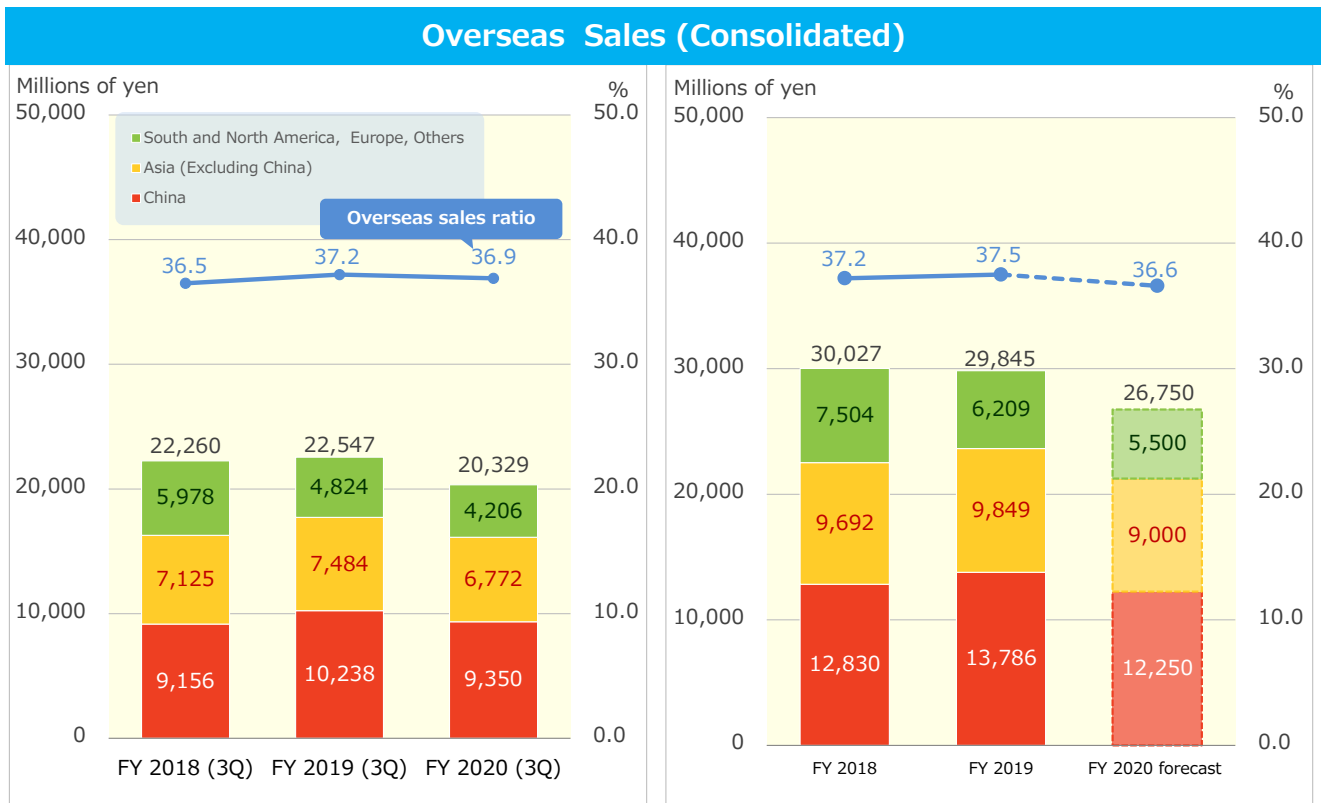
[Functional Materials] Compound materials for electronics, Functional fine chemical materials, Polishing agent for hard disk substrates, Flux cleanig System, etc.

[Others] Insurance business, Real estate agent, etc.

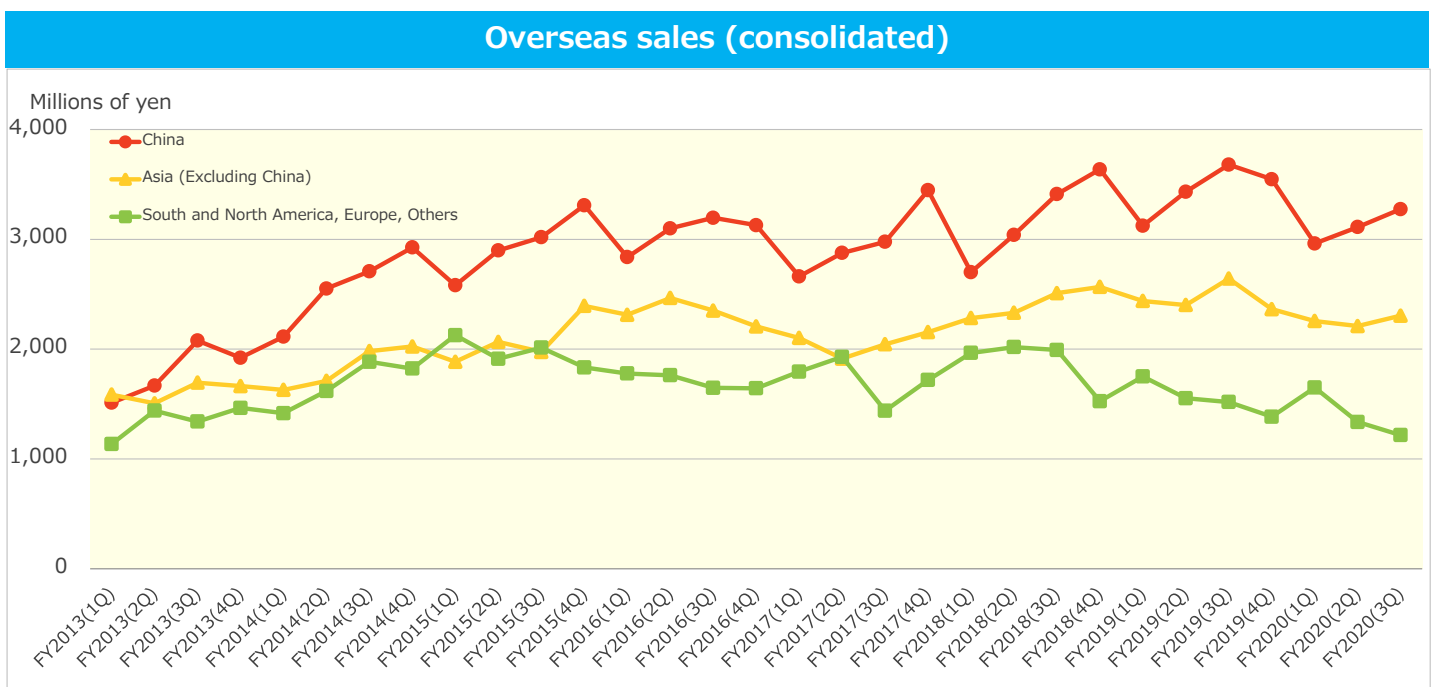
From FY2019, classification of some products has been changed from Functional Materials to Adhesive Materials.

The figures of FY2018 stated above have been modified to reflect the operating results based on the business segment after this change.

Overseas Sales (Consolidated)



Consolidated	FY 2018 (3Q)		FY 2019 (3Q)		FY 2020 (3Q)		FY 2018		FY 2019		FY 2020 forecast	
	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change
Overseas sales	22,260	12.7	22,547	1.3	20,329	△ 9.8	30,027	10.9	29,845	△ 0.6	26,750	△ 10.4
Overseas sales in Asia	16,281	11.7	17,723	8.9	16,122	△ 9.0	22,522	11.6	23,635	4.9	21,250	△ 10.1
Overseas sales in China	9,156	7.5	10,238	11.8	9,350	△ 8.7	12,830	7.2	13,786	7.5	12,250	△ 11.1
Overseas sales ratio	36.5%		37.2%		36.9%		37.2%		37.5%		36.6%	



Balance Sheets (Consolidated)

(Unit: Millions of yen)

Item	FY2019 (3Q)		FY2020 (3Q)		FY2019		Increase /Decrease (A) - (B)
	(As of December 31, 2018)		(As of December 31, 2019)		(As of March 31, 2019)		
	Amount	Com- position ratio	Amount (A)	Com- position ratio	Amount (B)	Com- position ratio	
(Assets)		%		%		%	
I Current assets							
1. Cash and deposits	8,710		9,044		9,061		△ 17
2. Notes and accounts receivable - trade	28,500		25,376		27,069		△ 1,693
3. Electronically recorded monetary claims - operating	2,146		2,014		1,969		44
4. Merchandise and finished goods	8,838		8,486		9,508		△ 1,021
5. Work in process	1,043		998		1,006		△ 8
6. Raw materials and supplies	7,390		6,653		7,311		△ 658
7. Other	1,241		1,994		1,143		850
Allowance for doubtful accounts	△ 125		△ 103		△ 114		11
Total Current assets	57,747	62.0	54,464	57.2	56,956	61.8	△ 2,491
II Noncurrent assets							
1. Property, plant and equipment							
(1) Buildings and structures	7,565		7,705		7,684		20
(2) Machinery, equipment and vehicles	5,644		6,484		5,956		527
(3) Land	5,144		5,144		5,140		4
(4) Construction in progress	6,321		10,643		5,937		4,706
(5) Other	507		551		549		1
Total property, plant and equipment	25,184	27.0	30,529	32.1	25,268	27.4	5,260
2. Intangible assets							
(1) Goodwill	613		332		543		△ 210
(2) Other	408		417		398		19
Total intangible assets	1,021	1.1	749	0.8	941	1.0	△ 191
3. Investments and other assets							
(1) Investment securities	6,771		7,509		7,261		247
(2) Retirement benefit asset	1,836		1,169		1,105		64
(3) Deferred tax assets	247		290		305		△ 14
(4) Other	380		345		386		△ 40
Allowance for doubtful accounts	△ 67		△ 61		△ 66		4
Total investments and other assets	9,168	9.9	9,253	9.7	8,991	9.8	262
Total noncurrent assets	35,375	38.0	40,532	42.6	35,201	38.2	5,330
III Deferred Assets							
1. Business commencement expenses	-		148		17		131
Total deferred assets	-	-	148	0.2	17	0.0	131
Total assets	93,122	100.0	95,145	100.0	92,174	100.0	2,970

(Unit: Millions of yen)

Item	FY2019 (3Q)		FY2020 (3Q)		FY2019		Increase / Decrease (A) - (B)
	(As of December 31, 2018)		(As of December 31, 2019)		(As of March 31, 2019)		
	Amount	Com- position ratio	Amount (A)	Com- position ratio	Amount (B)	Com- position ratio	
(Liabilities)		%		%		%	
I Current liabilities							
1. Notes and accounts payable - trade	12,835		10,984		12,178		△ 1,194
2. Short-term borrowings	5,655		5,368		5,454		△ 86
3. Income taxes payable	492		296		752		△ 455
4. Accrued consumption taxes	98		236		142		93
5. Provision for bonuses	670		584		1,222		△ 638
6. Provision for bonuses for directors (and other officers)	50		20		60		△ 40
7. Provision for repairs	90		-		105		△ 105
8. Notes payable - facilities	129		219		111		108
9. Other	5,011		5,371		4,825		546
Total current liabilities	25,034	26.9	23,081	24.3	24,853	27.0	△ 1,771
II Noncurrent liabilities							
1. Bonds payable	5,000		10,000		5,000		5,000
2. Long-term borrowings	3,910		3,989		3,895		94
3. Deferred tax liabilities	1,419		1,549		1,186		363
4. Provision for repairs	-		30		-		30
5. Retirement benefit liability	331		317		305		12
6. Asset retirement obligations	296		316		330		△ 14
7. Other	285		305		276		28
Total noncurrent liabilities	11,243	12.1	16,509	17.3	10,994	11.9	5,514
Total liabilities	36,278	39.0	39,590	41.6	35,848	38.9	3,742
(Net assets)							
I Shareholders' equity							
1. Share capital	3,343		3,343		3,343		-
2. Capital surplus	3,564		3,564		3,564		-
3. Retained earnings	43,808		44,741		44,153		587
4. Treasury shares	△ 13		△ 895		△ 13		△ 882
Total shareholders' equity	50,702	54.5	50,753	53.3	51,047	55.4	△ 294
II Accumulated other comprehensive income							
1. Valuation difference on available-for-sale securities	2,450		2,951		2,796		154
2. Foreign currency translation adjustment	1,099		62		727		△ 665
3. Remeasurements of defined benefit plans	777		148		175		△ 26
Total accumulated other comprehensive income	4,327	4.6	3,162	3.4	3,699	4.0	△ 536
III Minority interests	1,814	1.9	1,638	1.7	1,579	1.7	59
Total net assets	56,844	61.0	55,554	58.4	56,326	61.1	△ 772
Total liabilities and net assets	93,122	100.0	95,145	100.0	92,174	100.0	2,970

Statements of Income (Consolidated)

(Unit : Millions of yen)

Item	FY2019 (3Q) '18/4-'18/12		FY2020 (3Q) FY2019 (As of March 31, 2019)		Increase/ Decrease		FY2019 '18/4-'19/3	
	Amount	Ratio	Amount	Ratio	Amount	Rate of Change	Amount	Ratio
		%		%		%		%
I Net Sales	60,534	100.0	55,111	100.0	△ 5,422	△ 9.0	79,501	100.0
II Cost of sales	47,071	77.8	43,081	78.2	△ 3,990	△ 8.5	62,123	78.1
Gross profit	13,462	22.2	12,030	21.8	△ 1,432	△ 10.6	17,378	21.9
III Selling, general and administrative expenses	10,364	17.1	9,956	18.0	△ 408	△ 3.9	13,813	17.4
Operating income	3,097	5.1	2,073	3.8	△ 1,023	△ 33.0	3,564	4.5
IV Non-operating income								
Interest income	13		20				18	
Dividend income	164		178				197	
Rental income from real estate	80		74				107	
Foreign exchange gains	135		-				146	
Insurance claim income	5		148				22	
Other	140	540	103	524	△ 15	△ 2.8	173	667
V Non-operating expenses								
Interest expenses	111		112				149	
Bond issuance cost	-		25				-	
Foreign exchange losses	-		19				-	
Compensation expenses	-		-				68	
Other	50	162	54	211	49	30.2	62	280
Ordinary income		3,475		2,386	△ 1,088	△ 31.3		3,950
VI Extraordinary income								
Gain on sales of non-current assets	5		0				5	
Gain on sales of investment securities	7		352				7	
Insurance claim income	1,854		-				2,118	
Reversal of provision foreign currency translation adjustment	-	1,866	7	360	△ 1,506	△ 80.7	-	2,130
VII Extraordinary loss								
Loss on sales and retirement of non-current assets	78		27				235	
Loss on valuation of non-current assets	-		0				0	
Loss on sales of investment securities	-		-				0	
Loss on valuation of investment securities	-		-				14	
Loss on sales of investment in capital	-		15				-	
Expenses for suspension of operation	-	78	90	132	54	70.0	-	250
Income before income taxes		5,264		2,615	△ 2,648	△ 50.3		5,831
Income taxes-current	1,059		496				1,385	
Income taxes-deferred	398	1,457	325	821	△ 635	△ 43.6	211	1,596
Net income		3,806		1,793	△ 2,013	△ 52.9		4,235
Income before minority interests		261		288	26	10.3		344
Profit attributable to owners of parent		3,544		1,504	△ 2,040	△ 57.5		3,890
<Reference> Statements of Comprehensive Income (Consolidated)								
Net income		3,806		1,793	△ 2,013	△ 52.9		4,235
Other comprehensive income								
Valuation difference on available-for-sale securities		△ 1,429		154	1,584			△ 1,083
Foreign currency translation adjustment		△ 354		△ 727	△ 373			△ 780
Remeasurements of defined benefit plans, net of tax		△ 69		△ 26	43			△ 673
Total other comprehensive income		△ 1,853		△ 598	1,255			△ 2,537
Comprehensive income		1,952		1,194	△ 758	△ 38.8		1,697